

COVER PAGE

Wisconsin Power and Light Company

Docket 6680-UR-117

Corrected Exhibit 3.6 (Lane Kollen)

**Response of
Wisconsin Power and Light Company
to
The Public Service Commission of Wisconsin
Data Request No. CAS-14**

Docket Number: 6680-UR-117
Date of Request: July 16, 2009
Response Due: July 20, 2009
Information Requested By: Chris Swailes
Date Responded: July 30, 2009
Author: Marty Seitz / Ted Smith
Author's Title: Mgr II Fin Planning & Analysis / Lead Analyst II
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Witness: (If other than Author)

Data Request No. CAS-14:

Marty, is there any depreciation or tax depreciation in the 2010 test year for Bent Tree?

If so, how much, for each?

If Bent Tree is being put into service late in 2010, and there is depreciation for 2010, will there be any wind production in 2010? Wouldn't that affect the wind-production tax credit?

When is the exact date Bent Tree is expected to be put into the books as in-service? Is there another benefit we haven't talked about yet, as far as having it in-service in 2010? Just trying to put the puzzle pieces together....thank you!

Response:

Please see attached file [**CAS-14 Bent Tree.xls**] for the book and tax depreciation for Bent Tree in the 2010 test year.

Pending all of the requisite regulatory approvals, Bent Tree is expected to go in service very late in 2010 or early 2011. Assuming that late December in service date there would be no wind generation (consistent with the fuel modeling) and thus no Production Tax Credits. To my knowledge there is no exact date of in service planned at this time just the late December 2010 plan.

In the initial filing, WPL requested that 100% of the Construction Work In Progress (CWIP) balances during 2010 be included in net investment rate base. Any change to those expenditures would change the amount of CWIP requested

in net investment rate base for 2010. Recently WPL was able to firm up the wind turbine contract and production schedule for Bent Tree that resulted in accelerated payments to the vendor when compared to the estimate payment schedule in WPL's original filing. The update of CWIP expenditures (included in the attached file noted above) for the Bent Tree Wind farm results in higher CWIP balances in 2010. Those higher CWIP balances result in an increase in retail electric revenue requirements of \$1,547,000.

Wisconsin Power and Light
CAS-14 Bent Tree Depreciation Information
6680-UR-117

Bent Tree

Dec-10

Book Depreciation

Average Plant Balance - Monthly	\$ 220,892,991
Functional Depreciation Rate	0.31%
Bent Tree Book Depreciation	<u>\$ 678,326</u>

Tax Depreciation

Estimated Tax Basis MACRS 5	\$ 446,188,000
Normal Mid-Year Rate	20.00%
Tax Depreciation	<u>\$ 89,237,600</u>

Mid-Quarter Rate	5.00%
2010 Tax Depreciation	<u>\$ 22,309,400</u>

Book to Tax difference	\$ (21,631,074)
Deferred tax rate	0.40135
Deferred tax liability	<u>\$ (8,681,632)</u>

Wisconsin Power and Light
CAS-14 Bent Tree Expenditures
6680-UR-117

	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10
As Filed													
Plant in Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 441,785,981
Accumulated Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (678,326)
Construction Expenditures		\$ 4,351,244	\$ 37,629,248	\$ 37,743,134	\$ 40,239,231	\$ 47,899,333	\$ 20,838,931	\$ 24,568,801	\$ 25,632,558	\$ 15,213,145	\$ 7,956,395	\$ 17,682,673	\$ 4,595,241
CWIP Balances	\$ 157,436,047	\$ 161,787,291	\$ 199,416,539	\$ 237,159,673	\$ 277,398,904	\$ 325,298,237	\$ 346,137,168	\$ 370,705,969	\$ 396,338,527	\$ 411,551,672	\$ 419,508,067	\$ 437,190,740	\$ 441,785,981
July 2009 Update													
Plant in Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 454,581,853
Accumulated Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (697,973)
Construction Expenditures	\$ -	\$ 3,109,350	\$ 26,608,321	\$ 26,688,739	\$ 28,451,336	\$ 33,860,451	\$ 14,751,985	\$ 17,387,725	\$ 18,138,889	\$ 10,781,310	\$ 5,657,020	\$ 12,525,878	\$ 3,284,303
CWIP Balances	\$ 253,336,546	\$ 256,445,896	\$ 283,054,217	\$ 309,742,956	\$ 338,194,292	\$ 372,054,743	\$ 386,806,728	\$ 404,194,453	\$ 422,333,341	\$ 433,114,652	\$ 438,771,671	\$ 451,297,549	\$ 454,581,853